



Export Finance

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President & CEO

**Export Finance Assistance Center of
Washington (EFACW)**



Export Finance Assistance Center of Washington (EFACW)

- Established by the state legislature in 1983 as a non-profit
- Primary Role: ***Export Finance Matchmaker***
- Referral Source for Banks, non-bank lenders, credit insurance brokers
- Provides counseling to Exporters on how to get paid, mitigate risk, and access financing programs



Export Finance Assistance Center of Washington (EFACW)

- Provides Seminars and Training for SMEs and financial institutions on all levels
- Works closely with federal, state and local international trade agencies
- Represents the Export-Import Bank of the United States (Ex-Im Bank) as a City-State partner
- Represents the Overseas Private Investment Corporation (OPIC) as a Partner



Export Readiness

How does your company handle an export inquiry?

- Proactive approach – Exporters who take a proactive approach build an export plan for their overseas sales
- Reactive approach – Exporters who are reactive wait for an inquiry to arrive before they assemble a plan to support the foreign sale



Proactive Approach

Exporters who take a proactive approach build an export plan for their overseas sales

- Determine your working capital needs
- Consider Buyer finance needs
- Create a credit policy for foreign Buyers
- Develop an export quotation worksheet
- Create LC instructions / Payment instructions



Reactive Approach

Exporters who are reactive wait for an inquiry to arrive before they assemble a plan to support the foreign sale

- Buyer dictate sales terms more favorable to them
- Seller does not have time to line up service providers to support the transaction
- Seller cannot properly assess risk and therefore cannot properly mitigate it



Risks in International Trade

International transactions bring risks greater and different than domestic transactions:

- Political risk – includes war, nationalization, currency/monetary policy
- Buyer credit risk – Buyer default, insolvency, and bankruptcy
- Foreign exchange risk – exchange rate fluctuation

Questions to ask before selecting the proper payment method



- Can your business afford the loss if you are not paid?
- Will extending credit and the possibility of waiting several months for payment still make the sale profitable?
- Can the sale only be made by extending credit terms to the Buyer?

Questions to ask before selecting the proper payment method



- How long has the Buyer been operating and what is his credit history?
- Are there reasonable alternatives for collecting if the Buyer does not meet his obligations?
- If shipment is made but not accepted can alternative Buyers be found?

Export-Import Bank of the United States (Ex-Im Bank)

Support U.S. exports when faced with competition supported by foreign government entities in order to create and sustain U.S. jobs

- Induces domestic banks to lend outside of usual practices
- Strategic initiatives for certain industries and countries



www.exim.gov

Export-Import Bank of the United States (Ex-Im Bank)

Supplements commercial financing for pre and post-export financing at small business rates

- Working Capital Guarantee for sellers
- Export Credit Insurance for sellers
- Loan Guarantees to buyers

www.exim.gov



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